

YOUR MODERN SLAVERY ACTION PLAN



There are currently an estimated 40.3 million people trapped in some form of modern slavery in the world today. Forced labour has been estimated to generate annual profits of USD 150 billion. As responsible investors, we know our clients want no part of this activity, and want to take all reasonable steps to ensure their investments and their business are not contaminated with this exploitation.

In light of the Australian Modern Slavery Act (2018), Mercer has brought together the expertise of its Governance & Legal Consulting Practice and Responsible Investment Practice to offer a comprehensive end-to-end solution for managing human rights and modern slavery risk in investment portfolios and meeting the requirements of the Modern Slavery Act.

Clients can choose from a comprehensive service solution or to work with Mercer on any specific requirements. As modern slavery encompasses many types of human rights infringements, Mercer's approach to responsible investment and meeting the new requirements takes into account best practice in human rights, including the UN Guiding Principles on Business and Human Rights.

A structured and strategic approach for Modern Slavery.

KEY STAGES	HOW MERCER CAN HELP	WHAT MERCER CAN DELIVER
PLANNING 	<ul style="list-style-type: none"> • Director education on human rights and modern slavery and where they typically manifest in investment portfolio and supply chains • Legal analysis about application of regulatory requirements, including meeting reporting entity criteria and related obligations • Designing Modern Slavery Program addressing: <ul style="list-style-type: none"> - responsibilities/accountabilities - ambition (e.g. go beyond modern slavery to capture other human rights) - strategic priorities for the short term, medium term and long term - integration into responsible investment and risk and compliance programmes - timelines and milestones 	Board or Staff Education Advice on compliance with the Modern Slavery Act Modern Slavery Program Outline Action Plan Board Presentation
RISK ASSESSMENT 	<ul style="list-style-type: none"> • Working with key internal stakeholders to effectively map operations supply chain and investment portfolios, to gather critical information required • Using Mercer tools to assess and identify risks of modern slavery practices in operations, supply chains and investment portfolios 	Risk Hotspots Dashboard Workshops with Executives on identified risks and prioritisation
RISK RESPONSE 	<ul style="list-style-type: none"> • Gap analysis of existing control arrangement • Designing and drafting enhancements or new controls to respond to identified risks. This will typically include documentation of policies and processes (including, updating procurement guidelines and tools and developing KPIs) and drafting amendments to contracts with suppliers and service providers. • Designing implementation plan for risk controls. • Designing remediation strategy taking into account identified risks and client's ability to use leverage. 	Report recommending risk controls and high-level implementation plan Revised and new policies and processes Updating and negotiating changes to contracts Implementation Planning Session with Executives Training Staff Remediation Policy
EFFECTIVENESS ASSESSMENT 	<ul style="list-style-type: none"> • Assessing the effectiveness of actions taken during the reporting period • Analysis of possible areas for improvement 	Report findings of the risk controls effectiveness review and recommended improvements Presentation to Executives and the Board
DRAFTING MODERN SLAVERY STATEMENT 	<ul style="list-style-type: none"> • Liaising with key stakeholders to gather information relating to reporting requirements • Drafting responses to each mandatory criteria of the Modern Slavery Statement, taking into account Department of Home Affairs Guidance 	Proposed responses to each criteria in the Modern Slavery Statement Presentation to Executives and the Board

Contact Mercer's modern slavery advisory experts today.

Alexis Cheang

Responsible Investment
 Alexis.Cheang@mercer.com
 +61 2 8864 6472

Brent Tulk

Governance & Legal
 Brent.Tulk@mercer.com
 +61 3 9623 5422

Timothy Stamp

Responsible Investment
 Timothy.Stamp@mercer.com
 +61 4 1706 7518

Liana Brover

Governance & Legal Counsel
 Liana.Brover@mercer.com
 +61 3 9623 5174

For further information, please contact your local Mercer office or visit our website at : www.mercer.com.au